

City of Davis Water Tower



ANNUAL ACTIVITY REPORT FISCAL YEAR 2011/2012

STATE OF CALIFORNIA BUSINESS TRANSPORTATION AND HOUSING AGENCY

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

North Tahoe Fire Protection District Public Safety Center



Eli and Edythe Broad Art Center

*“Financing projects that
promote a healthy climate
for jobs in California”*

This report is also available at:
www.ibank.ca.gov



ANNUAL ACTIVITY REPORT

FISCAL YEAR 2011/2012

INTRODUCTION

This Annual Activity Report (Annual Report) is submitted in accordance with Government Code Section 63035, which requires the California Infrastructure and Economic Development Bank (I-Bank) to submit to the Governor and the Joint Legislative Budget Committee a report of its activities for the preceding fiscal year. This Annual Report includes:

- (a) (1) A listing of applications accepted, including a description of the expected employment impact of each project.
- (2) A separate summary of applications for the Infrastructure State Revolving Fund Program, including a summary of the number of preliminary applications that did not receive funding and the reason the applicant did not qualify.
- (b) A specification of bonds sold and interest rates thereon.
- (c) The amount of other public and private funds leveraged by the assistance provided.
- (d) A report of revenues and expenditures for the preceding fiscal year, including all of the I-Bank's costs. The information provided pursuant to this subdivision shall include, but need not be limited to, both of the following:
 - (1) The amount and source of total bank revenues. Revenues shall be shown by main categories of revenues, including interest earnings, fees collected, and bond proceeds, for each bank program.
 - (2) The amount and type of total bank expenditures. Expenditures shall be shown by major categories of expenditures, including loans provided, debt service payments, and program support costs, for each bank program.
- (e) A projection of the I-Bank's needs and requirements for the coming year.
- (f) Recommendations for changes in state and federal law necessary to meet the objectives of this division.

I-BANK OVERVIEW

The I-Bank, housed within the State of California's Business, Transportation and Housing Agency, has a mission to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities. The I-Bank's primary programs include the Infrastructure State Revolving Fund (ISRF) Program that provides direct low-cost financing to public agencies for a wide variety of public infrastructure projects, and Bond Financing Programs that provide tax-exempt conduit revenue bond financing for

qualified manufacturing companies, nonprofit organizations, public agencies, other eligible entities, including the I-Bank's own ISRF Program.

**SUMMARY OF I-BANK ACTIVITIES DURING
FISCAL YEAR 2011/2012**

- (a) (1) A listing of applications accepted, including a description of the expected employment impact of each project.

A summary of Preliminary Applications received is as follows:

| Program | Number of Preliminary Applications Received | Financing Amount Requested |
|--------------------------------------|--|-----------------------------------|
| ISRF Program | 2 | \$5,470,231 |
| Bond Financing Programs ¹ | None | None |
| Total | 2 | \$5,470,231 |

A summary of Financing Applications received is as follows:

| Program | Number of Financing Applications Received | Financing Amount Requested |
|-------------------------|--|-----------------------------------|
| ISRF Program | 1 | \$10,000,000 |
| Bond Financing Programs | 6 | \$753,925,000 |
| Total | 7 | \$763,925,000 |

A listing of these applications is contained in the following appendices:

- **Appendix 1—ISRF Program Preliminary Applications Received**
- **Appendix 2—ISRF Program Financing Applications Received**
- **Appendix 3—Bond Financing Programs Financing Applications Received**

Note: See subsection (b) below for expected employment impacts for approved ISRF Program loans.

- (2) A separate summary of applications for the ISRF Program, including a summary of the number of preliminary applications that did not receive funding and the reason the applicant did not qualify.

The summary of ISRF Program applications is found in **Appendices 1 and 2**. A summary of the ISRF Program preliminary applications and financing applications that did not receive funding, including the reasons the application did not proceed is contained in **Appendix 4—ISRF Program Preliminary Applications and Financing Applications Withdrawn or Inactive**.

¹ Applicants for Industrial Development Bonds and Exempt Facility Bonds are the only applicants of the Bond Financing Programs that submit a Preliminary Application. All other Bond Financing Program applicants only submit Financing Applications.

- (b) Specification of bonds sold and interest rates thereon.

A summary of bonds sold is contained in the following table along with a summary of ISRF Program loans approved (although approved loans are not required to be reported per Government Code Section 63035.)

| | Number of Loans Approved and Bonds Sold | Expected Employment Impacts—Estimated Jobs² | Financing Amount | Leverage |
|--|--|---|-------------------------|---------------------|
| ISRF Program Approved Loans | 2 | 57 | \$16,756,500 | \$1,245,284 |
| Bond Financing Programs Bonds Sold | 9 | 1510 | \$851,100,000 | \$24,270,000 |
| Total Loans Approved And Bonds Sold | 11 | 1567 | \$867,856,500 | \$25,515,284 |

Appendix 5—ISRF Program Loans Approved and **Appendix 6—Bond Financing Programs Bonds Sold** contain a detailed listing of the loans approved and bonds sold during Fiscal Year 2011/2012, along with expected employment impacts, and other project and financing information.³

- (c) Amount of other public and private funds leveraged by the assistance provided.

See table above and **Appendices 5 and 6** for leverage information.

- (d) A report of revenues and expenditures for the preceding fiscal year, including all of the I-Bank's costs. The information provided pursuant to this subdivision shall include, but need not be limited to, both of the following:
- (1) The amount and source of total bank revenues. Revenues shall be shown by main categories of revenues, including interest earnings, fees collected, and bond proceeds, for each bank program.
 - (2) The amount and type of total bank expenditures. Expenditures shall be shown by major categories of expenditures, including loans provided, debt service payments, and program support costs, for each bank program.

Appendix 7—Audited Statement of Revenues, Expenses, and Changes In Net Position of the California Infrastructure and Economic Development Bank contains the audited revenues and expenses of the I-Bank's two funds, the California Infrastructure and Economic Development (CIEDB) Fund and the

² Includes both construction and full-time equivalent jobs.

³ Applications for several loans approved and bonds sold in the 2011/2012 fiscal year were submitted in the prior fiscal year.

California Infrastructure Guarantee Trust Fund (Guarantee Trust Fund). The audit is prepared on a full accrual basis.

Appendix 8—Statement of Cash Flows by Program of the California Infrastructure and Economic Development Bank contains cash flows by program for the CIEDB Fund and the Guarantee Trust Fund.

- (e) A projection of the I-Bank's needs and requirements for the coming year.

During the 2011/2012 fiscal year, the I-Bank intends to continue to work closely with the Governor's Office to develop strategic initiatives and programs that will contribute to the Governor's clean energy and jobs goals. Additional staffing will likely be necessary in the future should the I-Bank expand existing programs or undertake new programs.

- (f) Recommendations for changes in State and Federal law necessary to meet the objectives of this division.

The I-Bank does not recommend any changes in State or Federal law at this time for existing programs. It is unknown if any changes to State or Federal laws will be necessary to facilitate the administration of any new programs.

APPENDICES

Appendix 1—ISRF Program Preliminary Applications Received

Appendix 2—ISRF Program Financing Applications Received

Appendix 3—Bond Financing Programs Financing Applications Received

Appendix 4—ISRF Program Preliminary Applications Withdrawn or Inactive

Appendix 5—ISRF Program Loans Approved

Appendix 6—Bond Financing Programs Bonds Sold

**Appendix 7—Audited Statement of Revenues, Expenses and Changes in Net
Position of the California Infrastructure and Economic Development
Bank**

**Appendix 8—Statement of Cash Flows by Program of the California Infrastructure
and Economic Development Bank**

APPENDIX 1—ISRF PROGRAM PRELIMINARY APPLICATIONS RECEIVED
Fiscal Year 2011/2012

| Name of Applicant | Project Location | Proposed Project Description | Amount Requested |
|---|---|---|-------------------------|
| McKinleyville Community Services District | McKinleyville | Water Treatment and Distribution: Replace water meters to promote conservation. | \$1,270,231 |
| Ramona Municipal Water Department | Ramona, Unincorporated San Diego County | Water Treatment and Distribution; City Streets: Realign water pipe along three miles of San Vicente Road to permit a reconfiguration of the road for traffic safety and to modernize existing infrastructure. | \$4,200,000 |
| Total ISRF Program Preliminary Applications Received | 2 | | \$5,470,231 |

APPENDIX 2—ISRF PROGRAM FINANCING APPLICATIONS RECEIVED
Fiscal Year 2011/2012

| Name of Applicant | Project Location | Proposed Project Description | Amount Requested |
|---|--|---|-------------------------|
| San Bernardino Municipal Water Department | Muscoy, unincorporated San Bernardino County | Water Supply: Design, engineer, and construct a new 12 million gallon circular pre-stressed concrete reservoir. | \$10,000,000 |
| Total ISRF Program Financing Applications Received | 1 | | \$10,000,000 |

APPENDIX 3—BOND FINANCING PROGRAM FINANCING APPLICATIONS RECEIVED
Fiscal Year 2011/2012

| Name of Applicant | Project Location | Type of Financing⁴ | Proposed Project Description | Amount Requested |
|--|----------------------------------|--------------------------------------|---|-------------------------|
| The J. Paul Getty Trust | City of Los Angeles | 501(c)(3) | Refinance I-Bank bonds issued in 2003 and 2004 that financed and refinanced the acquisition, construction, renovation, improvement and equipping of the Getty Museum and Getty Villa. | \$365,000,000 |
| The Colburn School | City of Los Angeles | 501(c)(3) | Refinance I-Bank bonds issued in 2006 that financed and refinanced the construction, renovation, improvement and equipping of school facilities. | \$64,925,000 |
| The J. David Gladstone Institutes | City and County of San Francisco | 501(c)(3) | Refinance I-Bank bonds issued in 2001 that financed the acquisition, construction, renovation, improvement and equipping of a biomedical research and administration facility. | \$153,000,000 |
| YMCA of Metropolitan Los Angeles | City and County of Los Angeles | 501(c)(3) | Refinance I-Bank bonds issued in 2001 that financed and refinanced the construction, renovation, improvement and equipping of facilities. | \$33,000,000 |
| The J. Paul Getty Trust | City of Los Angeles | 501(c)(3) | Refinance a portion of outstanding I-Bank bonds issued in 2007 that financed and refinanced the acquisition, construction, renovation, improvement and equipping of the Getty Museum and Getty Villa. | \$115,000,000 |
| SRI International | City of Menlo Park | 501(c)(3) | Refinance I-Bank bonds issued in 2003 that financed the construction, renovation, improvement and equipping of research facilities. | \$23,000,000 |
| Total Bond Financing Programs Financing Applications Received | 6 | | | \$753,925,000 |

⁴ “501(c)(3)” means qualified 501(c)(3) conduit revenue bond or loan.

**APPENDIX 4—ISRF PROGRAM PRELIMINARY APPLICATIONS
WITHDRAWN OR INACTIVE
Fiscal Year 2011/2012**

| Name of Applicant | Project Location | Amount Requested | Category and Proposed Project Description | Date Received | Date Withdrawn/ Made Inactive | Reason(s) |
|--|---|-------------------------|--|----------------------|--|---|
| City of Williams | City of Williams | \$2,300,000 | Water Supply; Water Treatment and Distribution: Install three new water filters to improve water quality from existing pumps, and construct a new well and reservoir for increased water capacity. | 6/30/2011 | 10/7/2011 | Applicant accepted a U.S. Department of Agriculture grant. |
| McKinleyville Community Services District | McKinleyville | \$1,270,231 | Water Treatment and Distribution: Replace water meters to promote conservation. | 10/27/2011 | 11/10/2011 | Applicant unable to find that the proposed project will attract, create, or sustain long-term employment opportunities. |
| Ramona Municipal Water Department | Ramona, Unincorporated San Diego County | \$4,200,000 | Water Treatment and Distribution: Realign water pipe along three miles of San Vicente Road to permit a reconfiguration of the road for traffic safety and to also modernize the existing infrastructure. | 10/31/2011 | 1/30/2012 | Project was placed on inactive list due to lack of response by applicant. |
| Total ISRF Program Preliminary Applications Withdrawn or Inactive | 3 | \$7,770,231 | | | | |

APPENDIX 5—ISRF PROGRAM LOANS APPROVED

Fiscal Year 2011/2012

| Name of Borrower | Project Location | Interest Rate | Project Description | Public Benefits (Including Expected Employment Impact) ⁵ | Financing Amount | Leverage |
|---------------------------------|------------------------------|---------------|---|---|------------------|-----------|
| Coastside County Water District | El Granada, San Mateo County | 2.79% | Water Treatment and Distribution: Design, construct, and install new pre-treatment units to reduce raw water turbidity to meet California Department of Public Health requirements. Upgrade the wash water handling system and improve the chemical storage facility, feed systems, plant control system and water pumps. | Modernize facilities to increase locally-sourced raw water from Denniston Creek, and decrease the amount of more expensive raw water it now purchases from the San Francisco Public Utilities Commission. Permanent jobs: 0 Estimated Construction jobs: 15 | \$6,756,500 | \$241,384 |

⁵ Estimated construction payroll is calculated at 20% of total project construction costs (the average of receipts-to-payroll for the construction industry). Construction jobs are calculated on a person year basis rather than on a permanent basis by dividing the estimated construction payroll by the average annual wage for construction in the county in which the Project is located. County level construction wage data was obtained from the Employment Development Department's website at www.labormarketinfo.edd.ca.gov. County construction wage data for calendar year 2011 was used to calculate estimated construction jobs.

APPENDIX 5—ISRF PROGRAM LOANS APPROVED

Fiscal Year 2011/2012

| Name of Borrower | Project Location | Interest Rate | Project Description | Public Benefits (Including Expected Employment Impact) ⁵ | | Financing Amount | Leverage |
|---|-------------------------------|---------------|--|--|------------------------------|------------------|-------------|
| San Bernardino Municipal Water Department | Muscoy, San Bernardino County | 2.61% | Water Supply: Design, engineer, and construct a new 12 million gallon circular, pre-stressed concrete reservoir. | Augment the water storage/transmission chain that transfers and distributes groundwater to and throughout higher elevations and address a water storage deficiency in the lower pressure zone. The Project is also needed for proper operation of the adjacent Ogden pumping station, and will also provide a secondary source of water to the Verdemon area that is specifically prone to wildfires, but has only a single source of water supply. Permanent jobs: 0 Estimated Construction jobs: 42 . | | \$10,000,000 | \$1,003,900 |
| Total ISRF Program Loans Approved | 2 | | | Estimated Permanent FTE ⁶ Jobs: | Estimated Construction Jobs: | \$16,756,500 | \$1,245,284 |
| | | | | NA | 57 | | |
| | | | | Total Estimated Jobs: 57 | | | |

⁶“FTE” means full-time equivalent. Each ISRF Program borrower’s governing body must find by resolution that the project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities.

APPENDIX 6—BOND FINANCING PROGRAMS BONDS SOLD
Fiscal Year 2011/2012

| Name of Borrower | Project Location | Type of Financing | Interest Rate | Project Description | Public Benefits (Including Expected Employment Impact) | Financing Amount | Leverage |
|-------------------------|-------------------------|--------------------------|---|--|--|-------------------------|-----------------|
| The Broad Collection | City of Los Angeles | 501(c)(3) | Fixed Rate 3.25% TIC ⁷ | Finance a new art museum, facilities and related infrastructure, including a portion of a three level public parking garage, public plaza and certain streetscape improvements. | Provide substantial cultural and educational benefits to the region and create a vibrant cultural environment that will draw visitors to downtown Los Angeles. Estimated Permanent Jobs: 50 Estimated Construction Jobs: 1,340 | \$150,000,000 | \$22,000,000 |
| Bay Photo, Inc. | City of Scotts Valley | IDB | Variable Rate | Finance the acquisition of three parcels of property totaling approximately 17 acres containing three vacant buildings totaling approximately 140,000 square feet and construct, develop and equip improvements. | Allow consolidation of operations into a single, larger campus-type facility that should support future business growth and an increased workforce. Estimated Permanent Job: 78 Estimated Construction Jobs: 9 | \$9,825,000 | \$2,125,000 |
| The J. Paul Getty Trust | City of Los Angeles | 501(c)(3) | Variable Rate | Refinance I-Bank bonds issued in 2003 that financed and refinanced the acquisition, construction, renovation, improvement and equipping of the Getty Museum and Getty Villa. | Provide for the addition of new interest rate modes that allow greater flexibility for managing cash flow in connection with tax-exempt debt and improve effectiveness of cash management. | \$276,800,000 | \$0 |

⁷ “TIC” means True Interest Cost.

APPENDIX 6—BOND FINANCING PROGRAMS BONDS SOLD
Fiscal Year 2011/2012

| Name of Borrower | Project Location | Type of Financing | Interest Rate | Project Description | Public Benefits (Including Expected Employment Impact) | Financing Amount | Leverage |
|-----------------------------------|----------------------------------|--------------------------|----------------------------|--|---|-------------------------|-----------------|
| The J. Paul Getty Trust | City of Los Angeles | 501(c)(3) | Fixed Rate 4.69% TIC | Refinance I-Bank bonds issued in 2004 that financed and refinanced the acquisition, construction, renovation, improvement and equipping of the Getty Museum and Getty Villa. | Mitigate interest rate risk associated with variable interest rates and achieve estimated total cost savings of approximately \$2 million that will contribute to the continued provision of cultural and educational activities. | \$68,930,000 | \$0 |
| The Colburn School | City of Los Angeles | 501(c)(3) | Variable Rate | Refinance I-Bank bonds issued in 2006 that financed and refinanced the construction, renovation, improvement and equipping of school facilities. | Mitigate interest rate risk associated with auction rate securities and achieve potential annual cost savings of approximately \$800,000 that will contribute to the continued provision of educational and cultural activities. | \$64,925,000 | \$0 |
| The J. David Gladstone Institutes | City and County of San Francisco | 501(c)(3) | Fixed Rate 5.14% TIC | Refinance I-Bank bonds issued in 2001 that financed the acquisition, construction, renovation, improvement and equipping of a biomedical research and administration facility and finance the purchase of research and laboratory equipment. | Mitigate interest rate risk associated with variable interest rates to achieve estimated annual cost savings of approximately \$1.2 million, and improve facilities that will contribute to the continued provision of research objectives and accommodate additional research staff. Estimated Permanent Jobs: 5 Estimated Construction Jobs: 13 | \$120,090,000 | \$0 |

APPENDIX 6—BOND FINANCING PROGRAMS BONDS SOLD
Fiscal Year 2011/2012

| Name of Borrower | Project Location | Type of Financing | Interest Rate | Project Description | Public Benefits (Including Expected Employment Impact) | | Financing Amount | Leverage |
|--|--------------------------------|-------------------|----------------------------|---|--|------------------------------------|------------------|--------------|
| YMCA of Metropolitan Los Angeles | City and County of Los Angeles | 501(c)(3) | Variable Rate | Refinance I-Bank bonds issued in 2001 that financed and refinanced the construction, renovation, improvement and equipping of facilities, and finance renovation of existing facilities. | Achieve total cost savings of approximately \$4,000,000 and renovate existing facilities that provide services to the community. Estimated Construction Jobs: 15 | | \$33,000,000 | \$0 |
| The J. Paul Getty Trust | City of Los Angeles | 501(c)(3) | Variable Rate | Refinance a portion of outstanding I-Bank bonds issued in 2007 that financed and refinanced the acquisition, construction, renovation, improvement and equipping of the Getty Museum and Getty Villa. | Provide for the addition of new interest rate modes that allow greater flexibility for managing cash flow in connection with tax-exempt debt and improve effectiveness of cash management. | | \$108,940,000 | \$0 |
| SRI International | City of Menlo Park | 501(c)(3) | Fixed Rate 3.85% TIC | Refinance I-Bank bonds issued in 2003 that financed the construction, renovation, improvement and equipping of research facilities. | Mitigate risk associated with variable interest rates and eliminate risk associated with potential credit rating downgrade of letter of credit provider. | | \$18,590,000 | \$145,000 |
| Total Bond Financing Programs Bonds Sold | | 9 | | | Estimated Permanent FTE Jobs: 133 | Estimated Construction Jobs: 1,377 | \$851,100,000 | \$24,270,000 |
| | | | | | Total Estimated Jobs: 1510 | | | |

**APPENDIX 7—AUDITED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION OF THE
CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK⁸
(A COMPONENT UNIT OF THE STATE OF CALIFORNIA)
Fiscal Year 2011/2012**

| | California Infrastructure and Economic Development Bank Fund | California Infrastructure Guarantee Trust Fund | Total |
|---|---|---|-----------------------|
| OPERATING REVENUES | | | |
| Interest on loans receivable | \$ 10,419,722 | | \$ 10,419,722 |
| Administration fees | \$ 1,826,084 | | \$ 1,826,084 |
| Total operating revenues | <u>\$ 12,245,806</u> | | <u>\$ 12,245,806</u> |
| OPERATING EXPENSES | | | |
| Interest on revenue bond debt | \$ 5,552,600 | | \$ 5,552,600 |
| Amortization of revenue bond issuance costs | \$ 110,719 | | \$ 110,719 |
| Program support ⁹ | \$ 3,968,784 | | \$ 3,968,784 |
| Total operating expenses | <u>\$ 9,632,103</u> | | <u>\$ 9,632,103</u> |
| OPERATING INCOME | \$ 2,613,703 | | \$ 2,613,703 |
| NONOPERATING REVENUE | | | |
| Investment income | \$ 328,300 | \$ 91,128 | \$ 419,428 |
| Total nonoperating revenue | <u>\$ 328,300</u> | <u>\$ 91,128</u> | <u>\$ 419,428</u> |
| Change in net position | \$ 2,942,003 | \$ 91,128 | \$ 3,033,131 |
| NET POSITION, Beginning of year | \$ 246,303,392 | \$ 24,432,390 | \$ 270,735,782 |
| NET POSITION, End of year | <u>\$ 249,245,395</u> | <u>\$ 24,523,518</u> | <u>\$ 273,768,913</u> |

⁸ The Statement of Revenues, Expenses, and Changes in Net Position is prepared on an accrual basis of accounting in accordance with generally accepted accounting principles. Data is from the Comprehensive Annual Financial Report of the I-Bank for the year ending June 30, 2012.

⁹ Program support expenses represent administrative expenses of the I-Bank.

**APPENDIX 8—STATEMENT OF CASH FLOWS BY PROGRAM OF THE
CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK¹⁰**
(A COMPONENT UNIT OF THE STATE OF CALIFORNIA)
Fiscal Year 2011/2012

| | California Infrastructure and Economic Development Bank Fund | | California Infrastructure Guarantee Trust Fund | |
|---|---|---------------------------------------|---|-----------------------|
| | ISRF Program | Bond Financing Programs ¹¹ | | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipt of interest on loans receivable | \$10,606,891 | -- | -- | \$10,606,891 |
| Receipt of administration fees | \$992,991 | \$583,512 | -- | \$1,576,503 |
| Receipt of loan origination fees | \$67,430 | -- | -- | \$67,430 |
| Receipt of principal on loans receivable | \$14,129,063 | -- | -- | \$14,129,063 |
| Payment of outstanding loan commitments ¹² | (\$16,151,949) | -- | -- | (\$16,151,949) |
| Payment of program support | (\$2,516,318) | (\$1,141,429) | -- | (\$3,657,747) |
| Net cash provided by operating activities | | | | \$6,570,191 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES¹³ | | | | |
| Payment of principal on revenue bond debt | (\$5,325,000) | -- | -- | (\$5,325,000) |
| Payment of interest on revenue bond debt | (\$5,941,702) | -- | -- | (\$5,941,702) |
| Net cash used for noncapital financing activities | | | | (\$11,266,702) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Receipt of interest on investments | \$122,005 | \$70,128 | 98,359 | \$290,492 |
| Net cash used for investing activities | | | | \$290,492 |
| CHANGE IN CASH AND EQUIVALENTS | | | | (\$4,406,019) |
| CASH AND EQUIVALENTS, Beginning of year | | | | \$93,207,915 |
| CASH AND EQUIVALENTS, End of year | | | | \$88,801,896 |

¹⁰ This information is being provided pursuant to Government Code Section 63035(d). Cash flow data is from the Comprehensive Annual Financial Report of the I-Bank for the year ended June 30, 2012, except administration fees, program support and interest on investments data is from internal I-Bank records.

¹¹ Conduit bonds issued through the I-Bank's Bond Financing Programs do not constitute a debt or liability of the State or of any political subdivision of the State, other than a limited obligation of the I-Bank payable solely from the pledged revenues of the conduit borrower, nor are a pledge of the faith and credit of the State or any political subdivision thereof. As such, the conduit bonds issued by the I-Bank's Bond Financing Programs are not reflected on the I-Bank's financial statements.

¹² "Payment of outstanding loan commitments" means loan disbursements and also means local assistance.

¹³ "Cash flows from noncapital financing activities" represents the payment of principal and interest on bonds issued by the I-Bank to leverage the ISRF Program.